

____.B. NO. _____

A BILL FOR AN ACT

RELATING TO EMPLOYMENT SECURITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. In the twenty-first century economy, small and
2 rapid growing businesses have powered Hawaii's job growth and
3 helped sustain one of the lowest unemployment rates in the
4 nation. The legislature recognizes that knowledge, innovation,
5 and research and development are key inputs in the twenty-first
6 century economy and finds that the challenges and opportunities
7 for Hawaii are one and the same: that Hawaii's workforce must be
8 competitive to grow the economy, and the economy needs a skilled
9 workforce to grow.

10 The purposes of this Act are to utilize Hawaii's portion of
11 Federal Reed act moneys to improve the administration and
12 infrastructure of Hawaii's employee and employer services
13 provided by the department of labor and industrial relations and
14 their partners in the four county governments. The use of these
15 funds will assist in creating a comprehensive and coordinated
16 workforce system that enables and sustains economic development,
17 self sufficiency, and global competitiveness.

____.B. NO. _____

1 SECTION 2. The purposes of this Act are to appropriate
2 federal Reed Act monies to the department of labor and
3 industrial relations for the following initiatives:

4 (1) Service and maintain the state's america one-stop
5 operating system (AOSOS) which is used for workforce
6 investment act and numerous other department of labor
7 and industrial relations programs. It is a unique
8 web-based, one-stop operating system designed so that
9 the state and workforce investment boards effectively
10 and efficiently meet the requirements of the Workforce
11 Investment Act. The system serves as an automated,
12 comprehensive case management and reporting system for
13 workforce and economic development professionals who
14 work with Hawaii's employers and jobseekers. This
15 appropriation will allow the State to continue to pay
16 for support, maintenance and upgrades to the AOSOS;

17 (2) Improve connectivity of computer systems. Currently, the
18 data systems between the unemployment insurance (UI) and
19 workforce development divisions (WDD) do not link
20 together and data is manually input twice, occupying too
21 much staff time in the State's one-stops and congesting
22 the system. This will allow for simultaneous UI and WDD

____.B. NO. _____

1 intake or linkages. The systems will be built and
2 programmed to connect, similar to what many other states
3 in the nation do to allow seamless sharing of data;

4 (3) Improve the user-friendliness of the matching system.

5 As hiring is trending toward online access to employees,
6 it is critical for the state to improve its computer job
7 board system. Currently employers cannot directly
8 access employees or their information online as is done
9 in other states. This initiative will allow Hawaii's
10 employers to gain this direct access and place more of
11 Hawaii's unemployed workers into employment;

12 (4) Provide funding for the purposes of assisting the
13 State's four local workforce investment boards. The
14 funds will be utilized by the local boards to improve
15 employer outreach and services, labor force pool
16 expansion, capacity building, and to fund some shared
17 costs for the operations of the one-stop career
18 centers;

19 (5) Provide funding to increase employment services beyond
20 the one-stop career centers, including but not limited
21 to expansion of computer kiosks into the state's
22 fifty-one public libraries and community colleges.

____.B. NO. _____

1 Such activities will allow for those that are
2 unemployed to access resources that would normally
3 only be available to them at the State's one-stop
4 centers, such as identifying potential employers
5 online, identifying and understanding the elements of
6 an effective resume, submitting of electronic
7 applications, studying for employment tests and
8 providing sample tests, and participating in online
9 tutorials and web-based training courses. The net
10 result of this program would be to promote Hawaii's
11 libraries and community colleges as a job finding and
12 skill building resource for the area residents that
13 are unemployed; and

14 (6) Provide funding to the department of labor and industrial
15 relations to establish systems for electronic payment of
16 employer taxes and direct deposit for claimant benefit
17 payments.

18 Further, this Act is also intended to conform to the
19 provisions of P.L. 107-147, Temporary Extended Unemployment
20 Compensation Act of 2002 signed by the President of the United
21 States of America on March 9, 2002. This amendment is needed
22 because the requirements for the Reed Act funds distributed

____.B. NO. _____

1 under the in 2002 differ from the prior special reed act
2 distribution made in 2002 under the Balanced Budget Act (BBA) of
3 1997. Under the BBA, reed act moneys were restricted to UI
4 administration purposes only. Section 383-123, Hawaii Revised
5 Statutes, must be amended to conform to the TEUCA Reed Act
6 amendments before Hawaii can use the distribution of
7 \$31,000,000.

8 SECTION 3. Section 383-123, Hawaii Revised Statutes, is
9 amended by amending subsections (b) and (c) to read as follows:

10 "(b) Administrative use. Moneys credited to the account
11 of this State in the unemployment trust fund by the Secretary of
12 the Treasury of the United States pursuant to section 903 of the
13 Social Security Act, as amended, may be requisitioned and used
14 for the payment of benefits and for the payment of expenses
15 incurred for the administration of this State's unemployment
16 compensation law and public employment offices pursuant to a
17 specific appropriation of the legislature; provided that the
18 expenses are incurred and the money is requisitioned after the
19 enactment of an appropriation law which: (1) specifies the
20 purposes for which the moneys are appropriated and the amounts
21 appropriated therefor, (2) limits the period within which the
22 moneys may be obligated to a period ending not more than two

____.B. NO. _____

1 years after the date of the enactment of the appropriation law,
2 and (3) limits the amount which may be obligated [~~during a~~
3 ~~twelve-month period beginning on July 1 and ending on the next~~
4 ~~June 30]~~ to an amount which does not exceed the amount by which
5 (A) the aggregate of the amounts credited to the account of this
6 State pursuant to section 903 of the Social Security Act, as
7 amended, [~~during the same twelve-month period and the thirty-~~
8 ~~four preceding twelve-month periods]~~ exceeds (B) the aggregate
9 of the amounts obligated pursuant to this subsection and charged
10 against the amounts credited to the account of this State
11 [~~during such thirty-five twelve-month periods. For the purposes~~
12 ~~of this subsection, amounts which are obligated for~~
13 ~~administration or paid out for benefits shall be charged against~~
14 ~~equivalent amounts which were first credited and which are not~~
15 ~~already so charged; except that no amount obligated for~~
16 ~~administration during a twelve-month period specified herein may~~
17 ~~be charged against any amount credited during such twelve-month~~
18 ~~period earlier than the thirty-fourth preceding such period].~~

19 Moneys credited to the account of this State pursuant to
20 section 903 of the Social Security Act, as amended, may not be
21 withdrawn or used except for the payment of benefits and for the

____.B. NO. _____

1 payment of expenses for the administration of this chapter
2 pursuant to this subsection.

3 The appropriation, obligation, and expenditure or other
4 disposition of money appropriated under this subsection shall be
5 accounted for in accordance with standards established by the
6 United States Secretary of Labor. Moneys appropriated for the
7 payment of expenses of administration pursuant to this
8 subsection shall be requisitioned as needed for the payment of
9 obligations incurred under the law appropriating the moneys and,
10 upon requisition, shall be deposited in the employment security
11 administration fund from which such payments shall be made.
12 Moneys so deposited shall, until expended, remain a part of the
13 unemployment compensation fund and, if it will not be expended
14 within one week after it is withdrawn from the unemployment
15 trust fund, shall be returned at the earliest practical date to
16 the Secretary of the Treasury of the United States for credit to
17 this State's account in the unemployment trust fund.

18 (c) Notwithstanding subsection (b), moneys credited to the
19 State's account in federal fiscal years ending in 2000, 2001,
20 and 2002 shall be used solely for the administration of the
21 unemployment compensation program and are not subject to the
22 specific appropriation requirements of subsection (b) ~~[7]~~; except

____.B. NO. _____

1 that moneys credited in calendar year 2002 with respect to P.L.
2 107-147 shall not be subject to the conditions of this
3 subsection or the two-year limitation requirement specified in
4 subsection (b)."

5 SECTION 4. There is appropriated from the unemployment
6 insurance trust fund from moneys deposited pursuant to section
7 383-123(b) the sum of \$10,000,000 for fiscal year 2005-2006, and
8 the same sum, for fiscal year 2006-2007, for the purposes
9 specified in this Act.

10 The sum appropriated shall be expended by the department of
11 labor and industrial relations for the purposes of this Act.

12 SECTION 5. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 6. This Act shall take effect upon approval.

15

16 INTRODUCED BY: _____

17 BY REQUEST

18

19

20